



Attention MEPD Members

Even if you don't have to file income taxes you should file for 2007 to claim you part of the economic stimulus or "rebate" you have been hearing about. You don't have to file by April 15th if you don't owe. You have until at least October 1, 2008 to file.

You must file a 2007 return in order to qualify for the "rebate" you have been hearing about. (See the enclosed information sheet). *In addition, you may be able to claim the Earned Income Tax Credit (EITC).*

The EITC is a *refundable* federal income tax credit for low-income working individuals and families. A "*refundable*" credit means you get the money even if it is more then the tax you owe and even if you owe no tax at all!

To be eligible for a full or partial credit, you must have *earned* income of at least \$1 but less than:

- \$37,783 (\$39,783 if married filing jointly) and 2 or more qualifying children
- \$33,24 (\$35,241 if married filing jointly) with one child
- \$12,590 (\$14,590 if married filing jointly) with no qualifying children

For tax year 2007 the maximum credits are:

- Two or more qualifying children \$4,716
- One qualifying child \$2,853
- No children \$ 428

To get the EITC money, just like the “rebate,” *you must file a return* even if you do not have to file one otherwise. The IRS won’t send you the money if you do not file!

You may even be able to claim the EITC from the last two years, if you would have qualified!

Beginning in 2007, the EITC on the Iowa state return is 7% of the federal EITC amount, and is *refundable*, as described above. In years prior to 2007, the EITC on the Iowa state return is **not** refundable.

For further information, call the IRS at 1-800-829-1040. Records show as many as 20% of Iowans fail to claim this tax credit, don’t you be one of them!

P.S. The “Rebate” will not affect your eligibility for benefits, for the first two months after you receive it! The EITC is the same way and does not impact you benefits for at least two months. DHS will not count these after two months if you have spent enough of the money to put your bank accounts under the resource limit. After that, you need to check with your IM worker at your local DHS office.